

BC Housing

2019/20 – 2021/22 SERVICE PLAN

February 2019



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Board Chair Accountability Statement



The 2019/20 – 2021/22 BC Housing Service Plan was prepared under the Board of Commissioners’ direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 19, 2019 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, the British Columbia Housing Management Commission’s (BC Housing) mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of BC Housing’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink that reads "Cassie J. Doyle". The signature is written in a cursive, flowing style.

Cassie J. Doyle
Board Chair

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Strategic Direction and Alignment with Government Priorities

BC Housing’s strategic direction for the 2019/20 to 2021/22 period is focused on the Province’s commitment to make life more affordable for British Columbians. A historic level of new provincial investments has been dedicated to initiating and expanding housing programs that will create more affordable homes for people who live and work in our communities.

To deliver new affordable housing programs, BC Housing works in partnership with the private, non-profit and co-operative housing sectors, provincial health authorities and ministries, other levels of government and community groups to develop a range of housing options along the housing continuum, from supportive housing for the homeless to affordable rental and owner-purchase housing for middle income British Columbians. In 2019/20, over 116,094 households will benefit from provincial government affordable housing programs in communities across the province. Further information about BC Housing is provided in Appendix A, including our mandate to support consumer protections under the *Homeowner Protection Act*.

In delivering on our strategic direction and mandate, BC Housing is also committed to working in partnership with Indigenous peoples to embrace and implement the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)* and the *Truth and Reconciliation Commission of Canada (TRC): Calls to Action*. Indeed, one of the key organizational goals is to enhance Indigenous partnerships and relationships.

BC Housing is aligned with Government’s key priorities through our Service Plan Goals:

- Goal 1: Creating safe, affordable and functional housing for British Columbians
- Goal 2: Supporting a strong non-profit and co-op housing sector
- Goal 3: Enhancing Indigenous partnerships and relationships
- Goal 4: Providing leadership in residential construction and sustainability

The following table highlights our activities that support the three key priorities:

Government Priorities		
Making life more affordable	Delivering the services people count on	A strong, sustainable economy
BC Housing Activities		
<p>BC Housing directs government investment to create new affordable social and supportive housing for people in need. (Objective 1.1)</p> <p>We also develop, facilitate and support partnerships across the housing sector to encourage more affordable housing supply for middle income and working households. (Objective 1.2)</p>	<p>BC Housing delivers rental assistance programs and financial aid for home modifications to eligible, low-income households. (Objective 1.1)</p> <p>We provide project coordination and facilitation for land owners, regardless of experience, who want to help create affordable housing. (Objective 1.2)</p> <p>As well, BC Housing supports and collaborates with our Ministry partners to implement</p>	<p>BC Housing’s implementation of the <i>Building BC</i> funding programs invest in the creation of affordable housing and in job creation and industry. (Objective 1.1)</p> <p>Our work with non-profit housing providers helps to ensure the sector has the tools needed to sustain existing housing and the capacity to take advantage of future opportunities. (Objective 2.1)</p>

	<p>the housing-related initiatives identified in the Homelessness Action Plan, the Poverty Reduction Strategy and the Mental Health and Addictions Strategy. (Objective 1.1)</p> <p>We also license residential builders, administer owner builder authorizations and carry out research and education that benefits the residential construction industry and consumers. (Objective 4.1)</p>	<p>Through our program and business activities, BC Housing leverages opportunities to promote employment, skills training and business development for Indigenous peoples, which further contributes to strengthening the provincial economy.</p> <p>(Objective 3.1)</p> <p>We protect new home purchasers through upholding the <i>Homeowner Protection Act</i> and we promote energy efficient, low carbon approaches to sustainability in the affordable housing created through our programs.</p> <p>(Objectives 4.1 and 4.2)</p>
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In addition to clear alignment with the priorities described above, our strategic direction is shaped by the 2019/20 Mandate Letter provided by the Minister of Municipal Affairs and Housing. Key direction in the Mandate letter for 2019/20 includes:

- Continue to implement, support and report on BC Housing-related programs delivered through the *Budget 2018 Homes for B.C.: 30-point Plan for Affordable Housing in British Columbia* including the *Building BC: Supportive Housing Fund*, *Indigenous Housing Fund*, *Community Housing Fund* and *Women’s Transition Housing Fund*;
- Facilitate partnerships through the new HousingHub division to create market-based and affordable housing for middle income and working households;
- Support the work of the Province and the Minister of Social Development and Poverty Reduction in leading the prevention and response to homelessness, including the implementation of the Homelessness Action Plan; and
- Fully implement the recommendations of the 2018 Governance and Oversight review, conducted by the independent firm BDO Canada LLP, and prioritize working with the Ministry on enhanced reporting on housing investments.

Operating Environment

This section describes key trends, risks and opportunities that could potentially impact BC Housing’s performance results in 2019/20.

- Continuing issue of people experiencing homelessness in communities. Opportunities to respond to this trend include: completion of the *Rapid Response to Homelessness* program and provision

of supportive modular housing in communities across the province; implementation of a Homelessness Action Plan that will include an encampment prevention and response strategy in partnership with the Ministries of Social Development and Poverty Reduction, and Municipal Affairs and Housing; and, BC Housing's work with local governments and other partners to provide emergency shelters and supportive housing options with on-site supports, will continue. To mitigate or address neighbourhood concerns for new housing options, BC Housing will continue community engagement events such as open houses and public information sessions to help build awareness and acceptance and listen to community concerns.

- Persisting housing affordability pressures in communities. Although the housing market is moderating, rent levels and home prices are such that many renters and owners struggle with affordability. Rental vacancy rates may ease slightly but are generally low, making it difficult for people to find homes with an affordable rent. The unprecedented new investment in provincial housing programs will begin to improve housing affordability, including: enhanced rent assistance programs for people in the rental market; new social housing coming on stream through the four new *Building BC* funding programs which began development in 2018/19 as well as previously initiated housing programs; and, new affordable housing facilitated through HousingHub. Over 4,000 affordable units are expected to be completed in 2019/20 through new and existing housing programs, as described in the performance section of this service plan.
- Growing trades shortages and rising construction costs, along with higher interest rates. These trends will continue to place significant upward pressure on development and capital renewal budgets. BC Housing uses a range of strategies to address this trend, including: project contingencies established based on third-party escalation forecasts, project costs reviewed against construction cost, framework benchmarking and analysis with detailed reviews at critical milestones during the development process, and procurement strategies to respond to changes in project cost variables.
- Ensuring timely delivery of housing through new program commitments. This potential risk is a key focus for BC Housing and our housing partners. A range of strategies will be used to mitigate this concern, including: recruitment of sufficient staffing levels to support program delivery requirements, enhanced governance and oversight processes and reporting to monitor progress and enable identification of further strategies to address issues; and, liaison with key partners such as local governments, non-profit housing societies, BC Non-Profit Housing Association, Co-Op Housing Federation of BC, Aboriginal Housing Management Association and First Nation communities, to monitor and identify ways in which we can jointly support program delivery capacity.
- Building and maintaining respectful and constructive relationships with our Indigenous partners. This will be a critical aspect of our work to ensure success in creating new Indigenous housing options in 2019/20 and beyond. It is also particularly important given that B.C. is the first province in Canada to invest provincial housing funds into on-reserve housing, namely through the new *Building BC: Indigenous Housing Fund*. In response to this opportunity, BC Housing is investing in cultural staff training on working effectively with Indigenous peoples and deepening our understanding of *UNDRIP* and *TRC* in the context of our programs and mandate. We will also be implementing a range of new initiatives through our participation in [Progressive Aboriginal Relations certification program](#) in the areas of leadership actions, Indigenous employment and business development, and community relations.

- Ensuring that our sustainability plans and actions continue to be relevant and well targeted. This is particularly important considering the growing urgency of climate change trends and our ongoing focus on reducing greenhouse gas emissions. New provincial housing investments have created significant opportunities to support sustainability, including increased funding for capital renewal of the existing social housing stock, as well as opportunities through new housing programs to maximize sustainability elements into new developments. We will also conduct an in-depth assessment and renewal of BC Housing plans and programs for sustainability advancement in the context of the new climate science and the new provincial [CleanBC](#) plan.

Performance Plan

This performance plan describes BC Housing’s goals, objectives and performance measures for 2019/20 to 2021/22. This plan was developed in partnership with our responsible ministry, the Ministry of Municipal Affairs and Housing. We engage with the Ministry on an ongoing basis through quarterly accountability meetings with the Deputy Minister and Assistant Deputy Minister where performance measures are monitored. BC Housing will continue to work with the Ministry on future initiatives and projects to effectively deliver our mandate.

Goal 1: Create safe, affordable and functional housing for British Columbians

Safe, affordable and functional housing is the foundation of healthy people, families and communities. This goal describes BC Housing’s contribution to making life more affordable for British Columbians through increasing the supply of affordable housing, including rental, non-profit, co-op and owner-purchase housing.

BC Housing directs government investment in the creation of new affordable social and supportive housing for people in need, including families, seniors, youth, people with disabilities, Indigenous peoples, those experiencing homelessness and at risk of homelessness, and women and children fleeing abusive relationships. In addition to direct investment into new supply, BC Housing will also develop, facilitate and support partnerships across the housing sector to encourage more affordable housing supply for middle income and working households, sometimes referred to as the “missing middle”.

BC Housing is implementing four *Building BC* funding programs to increase the supply of affordable housing, announced through Budget 2018:

- Community Housing Fund – This program will provide close to \$1.9 billion over 10 years to build and operate 14,350 affordable new rental homes for seniors, families, low- and middle-income earners. The first 4,900 housing units in 42 communities were announced in November 2018.
- Women’s Transition Housing Fund – This program will provide \$734 million over ten years to build 1,500 new supportive homes for women and children fleeing violence, including transition houses, safe homes, second-stage and long-term housing. The first 280 housing units in 12 communities were announced in October 2018.
- Indigenous Housing Fund – This program will provide \$550 million over 10 years to build and operate 1,750 units of social housing for projects, both on- and off-reserve. The first 1,100

new housing units in 26 communities were announced in November 2018, including almost 780 off-reserve units and close to 370 on-reserve units.

- Supportive Housing fund – This program will provide \$1.2 billion over 10 years to build and operate 2,500 units of supportive housing for those who are experiencing or at risk of homelessness. Projects will be announced as they progress.

Objective 1.1: Deliver on provincial investment and financial assistance to increase the supply of affordable, social and supportive housing

This objective focuses on provincial government investments and funding initiatives that will increase the supply of affordable housing and help address housing issues in communities across the province. Compared to last year, the objective wording has been adjusted to reflect work underway to deliver on Budget 2017 Update and Budget 2018 funding commitment for new housing supply programs with government financial assistance.

Key Strategies:

- Implement new *Building BC* affordable housing funding programs: *Community Housing Fund*, *Supportive Housing Fund*, *Indigenous Housing Fund*, and *Women’s Transition Housing Fund*.
- Implement programs to break the cycle of homelessness including the *Rapid Response to Homelessness* program, *Emergency Shelter Program*, *Homeless Outreach Program* and *Homeless Prevention Program*.
- Develop specific strategies to address youth homelessness.
- Support the Ministry of Municipal Affairs and Housing and the Ministry of Social Development and Poverty Reduction in the implementation of the Homelessness Action Plan, including encampment prevention and response.
- Carry out research to measure outcomes related to provision of supportive housing, e.g., the *Rapid Response to Homelessness* program from Budget 2017 Update.
- Develop and implement a communications strategy to increase awareness among stakeholders, partners, including local governments, and the general public of the positive impact and outcomes of new housing programs and investments, including broader positive economic impacts for people and communities.
- Collaborate with the ministries responsible for the Poverty Reduction Strategy and the Mental Health and Addictions Strategy to implement the housing-related initiatives.
- Provide financial assistance to low-income seniors and working families in the private market through *Shelter Aid for Elderly Renters* and *Rental Assistance* programs.
- Improve the physical accessibility of homes for low-income seniors and persons with disabilities through the *Home Adaptations for Independence* program.
- Develop an action plan to deliver cost-matched funding through the federal-provincial National Housing Strategy agreement.
- Ensure effective management and maintenance of BC Housing’s directly managed housing stock including strategic redevelopment opportunities.

Performance Measures	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1a Number of households that benefit from provincial housing programs for affordable and supportive housing ¹	107,205	111,638	116,094	121,203	126,132
1.1b Number of affordable and supportive housing units completed, including affordable rental and social housing. ²	2,996	3,543	3,035	4,626	4,736
1.1c Number of households receiving rental assistance in the private market ³	32,335	35,250	36,500	38,000	38,250

¹ Data Source: BC Housing. Over 70 programs feed into this count including programs identified in 1.1c

² Data source: BC Housing’s Central Property System database.

³ Data Source: BC Housing. This measure includes two programs: *Shelter Aid for Elderly Renters* and *Rental Assistance Program*.

Linking Performance Measures to Objectives:

These measures describe BC Housing’s contribution towards creating and facilitating more supply of affordable housing through provincial programs. It identifies the number of supportive and affordable housing units completed and households receiving rental assistance.

Programs reflected in measure 1.1b include: *Rapid Response to Homelessness, Affordable Rental Housing, Community Housing Fund, Indigenous Housing Fund, Supportive Housing Fund, Provincial Rental Supply, Provincial Investment in Affordable Housing, Community Partnership Initiatives, Housing Priority Initiatives, Investment in Affordable Housing, Social Infrastructure Fund*, and other provincial programs.

Programs reflected in measure 1.1c include the programs *Shelter Aid for Elderly Renters* and the *Rental Assistance Program*.

Discussion:

BC Housing anticipates that approximately 116,094 households will benefit from provincial housing programs for affordable and supportive housing in 2019/20. This overall number is inclusive of the new units completed and households identified under measures 1.1b 1.1c, as well as households assisted through additional existing programs. Future targets are based on the completion of new units created through acquisition or new construction, and anticipated up-take for rent assistance programs.

The targets in this Service Plan are different from those indicated in the 2018/19-2020/21 Service Plan to reflect planned program funding levels, and community and market conditions supportive of achieving these targets.

Objective 1.2: Facilitate partnerships through the new HousingHub to create market-based and affordable housing for middle income and working households

The objective relates to how BC Housing can facilitate the creation of market-based and affordable housing for the missing middle, including for example, first responders, small business owners, teachers, and healthcare workers. While the housing market is cooling in some areas of the province, there is still more work to do on affordability and accessibility across BC – namely in several urban

centres. The objective wording has been changed since the previous Service Plan to reflect the creation of HousingHub and clarity of its mandate.

Partnerships are key to creating new homes and to increase housing affordability. HousingHub works with non-profits and private developers, faith groups, property owners, federal and local governments, and Indigenous partners to locate, use, or repurpose, land in communities where affordability is an issue. Provincial land will also be designated for some projects. By leveraging the expertise of BC Housing staff, HousingHub will provide a centre for community partners and private industry to collaborate on developing new construction or redeveloping existing sites for affordable housing purposes. Through private and community partnerships, HousingHub can provide; low-cost financing; access to land; no- or low-capital equity.

These housing partnerships will benefit people, communities, and partners. Middle-income households will be able to live in affordable homes. Supply will increase in the high-demand areas that need it most, and all housing will be built according to high-energy efficiency standards, which will improve quality of life for residents and lower operating costs.

Partners may receive low-cost financing in exchange for building affordable housing. Local governments will benefit through housing that fits the needs of people in their communities. HousingHub will also work with municipalities to minimize regulatory barriers and expedite the development process.

HousingHub is a supply side response to the housing crisis, creating both affordable rental and affordable owner-purchase housing without provincial grants or subsidies.

Key Strategies:

- Promote HousingHub as a toolkit of options for developing affordable housing where ideas can be discussed, and for identifying missing elements in new project proposals.
- Actively pursue partnerships with the non-profit and for-profit sectors, faith groups, owners of existing housing, the federal and local governments and others to find and use, or re-use, available land in areas experiencing housing affordability challenges.
- Seek out non-traditional partners who have land and want to contribute to affordable housing in their communities.
- Act as project coordinator and facilitator for land owners who are not experienced developers, but want to create affordable housing, at a reasonable cost and with a reasonable rate of return while benefiting their community.
- Help enable access to Provincial land for affordable housing and offer low-cost financing.
- Work with the provincial government, including the Ministry of Municipal Affairs and Housing to reduce or remove unnecessary barriers created by provincial regulations and policies as well as to identify and advance innovative approaches by local governments to support the efficient delivery of affordable homes.

Discussion:

HousingHub was identified in *Homes for B.C.: A 30-Point Plan for Housing Affordability in British Columbia* and was established in 2018/19 fiscal year. BC Housing identifies and advances innovative approaches to create market-based and affordable housing both for rent and for purchase. . HousingHub is in discussions with developers, municipalities, non-profit groups and faith-based

groups on potential projects across the province. Projects are in the preliminary stages and will be announced as they move forward.

As HousingHub becomes more established, metrics will be developed to quantify the number of housing units created through BC Housing's HousingHub. The measure will reflect BC Housing's relationship with the community housing sector.

Goal 2: Support a strong non-profit and co-op housing sector

BC Housing supports a strong non-profit housing sector through relationship-building, collaboration and capacity-building initiatives in partnership with housing providers, the BC Non-Profit Housing Association and other organizations involved in the non-profit housing sector. We share a common purpose with non-profit housing providers to provide stable, safe and affordable housing. Together we work toward sustainability of the sector and provision of social housing over the long-term. We also work with the sector to address government's commitment to make life more affordable and begin work to support the building of more affordable housing.

Objective 2.1: Collaborate with our non-profit housing partners to ensure long-term provision of social and affordable housing

BC Housing works with over 800 housing providers across the province in the provision of subsidized housing. This includes working with our partners to develop new housing and, through an annual budgeting and financial review process and a triennial operational review process, to also operate existing projects. As such, BC Housing has many tools, such as development services and construction financing, that enable it to play a role in supporting and enabling the sector to leverage its significant asset base to create more affordable housing supply, and to also help facilitate capital renewals of existing social housing stock. These efforts will further support the culture of partnerships, innovation, creativity and social entrepreneurship that is emerging within the sector.

Key Strategies:

- Collaborate with sector organizations, including BC Non-Profit Housing Association (BCNPHA), Co-op Housing Federation of BC, and Aboriginal Housing Management Association, to identify ways that BC Housing can further support sector capacity through education, training and research.
- Work with housing providers to improve their financial, operating and governance practices and to ensure that housing providers have the tools needed to successfully deliver existing housing as well as opportunities brought about by new provincial government investment in affordable housing.
- Enhance the review and performance reporting framework for non-profit partners to reflect the complexity of delivering housing and to consider future risks and impacts on performance and sustainability.
- Review existing social housing operating agreements and programs to provide greater flexibilities and tools to non-profits to support long-term sustainability.

Performance Measure	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.1 Percentage of non-profit housing provider financial reviews carried out by BC Housing within five months from date of BC Housing receiving the financial review results from the non-profit housing provider ¹	70%	70%	70%	70%	70%

¹Data Source: This measure is gathered by BC Housing as part of the operational review process with housing providers.

Linking Performance Measures to Objectives:

2.1 This measure focuses on the completion of the financial reviews of non-profit housing providers by BC Housing. This interim measure reflects BC Housing’s commitment to streamline and prioritize our financial and operational review practices.

Discussion:

A timely financial review process enables housing providers to know with accuracy what their budget will be for the year ahead and helps to avoid situations of subsidy overpayments or underpayments which must be later addressed. It also relies on establishing good relations and communications with non-profit housing partners. BC Housing anticipates meeting its 2018/19 target of 70 per cent. Future targets have been increased compared to the previous service plan to reflect improvements made to the financial review process. BC Housing will continue to work with BCNPHA to create a new measure for this objective.

Objective 2.2: Deliver new provincial government investments to help protect existing social housing

This objective focuses on the capital renewal and rehabilitation needs of the approximately 52,600 social housing units in B.C. over the long-term, and the effective delivery of new provincial funding specifically targeted for capital renewal of the existing social housing stock. The objective wording has been adjusted to reflect work underway to deliver on Budget 2018 funding commitments for preserving the existing social housing stock.

The average age of the social housing stock is approximately 35 years, and many buildings are approaching a time when major building components require replacement or repair. Therefore, while increasing the supply of housing is an important focus of the province and BC Housing, it is equally important that the condition of existing social housing be maintained and in good condition for the people living in it now and for future generations. BC Housing addresses this priority by working with housing providers to identify priority capital renewal projects, and by providing funding for maintenance and rehabilitation through various programs.

Key Strategies:

- Effective delivery new provincial funding for capital renewal of the existing social housing stock.
- Continue supporting the preservation of existing affordable housing stock, including subsidized and private rental units. Funding will be used to:
 - Prevent the condition of social housing buildings from deteriorating; and
 - Carry out needed seismic, life and safety and energy performance improvements.

- Develop an action plan to deliver cost-matched funding through the federal-provincial National Housing Strategy agreement.

Performance Measure	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.2 Facility condition index ¹	19%	17% to 22%	16% to 21%	16% to 21%	16% to 21%

¹Data Source: Physical building condition assessments of building systems, sub-systems and components are tracked by BC Housing and used to calculate the Facility Condition Index (FCI). This index quantifies the physical condition of the social housing stock. The calculation is the cost of a building’s renewal and replacement needs divided by its replacement cost, expressed as a percentage. A lower value indicates a better housing condition.

Linking Performance Measures to Objectives:

2.2 The Facility Condition Index (FCI) is an indication of the average condition of buildings – a lower percentage corresponds to better average building condition. The FCI calculation is the cost of a building’s renewal and replacement needs divided by its replacement cost, expressed as a percentage. The FCI is used to assist with investment decisions and strategic directions regarding capital planning and rehabilitation budgets for social housing.

Discussion:

The FCI is calculated using a five-year projected average of the condition of the social housing stock rather than looking at the current year only. This approach is an industry standard and supports effective maintenance and rehabilitation planning. Future targets have increased compared to the previous service plan due to increased provincial funding to preserve the existing social housing stock. Future targets are set at 16 to 21 per cent over the three-year period, which is an acceptable service level for buildings and building conditions for tenants. Future targets also reflect a larger sampling of assessed units, growing to nearly 100 per cent of the social housing stock. Planned maintenance and rehabilitation work over the three-year service plan period is also factored into the target, as is available funding each year.

Goal 3: Enhance Indigenous partnerships and relationships

BC Housing works with our Indigenous housing partners to enhance partnerships and relationships and increase self-reliance in the sector. This is intended to help address the over representation of Indigenous peoples within the homeless population and in housing that is not adequate or affordable. Increasingly we are working with First Nations communities, recognizing the benefit of partnerships to help address housing issues on and off reserves.

This goal is particularly important given that, as of 2018/19, British Columbia is the first province in Canada to invest provincial housing funds into on-reserve housing through opportunities provided by the new *Building BC* programs and significant new levels of provincial housing investments.

BC Housing works to ensure that the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP) and the *Calls to Action of the Truth and Reconciliation Commission* (TRC) are incorporated as appropriate into our operations and business practices.

Objective 3.1: Facilitate opportunities that increase a self-reliant Indigenous housing sector

BC Housing works towards meeting this objective in two ways: partnerships with the Aboriginal Housing Management Association, which has the responsibility to administer provincial social housing delivered by Indigenous housing providers off-reserve in British Columbia; and partnerships with Indigenous organizations, communities and First Nations communities in building new housing and increasing capacity in maintenance and capital asset management.

Key Strategies:

- Work with First Nations partners to create new housing through the *Building BC* programs: *Community Housing Fund, Supportive Housing Fund, Indigenous Housing Fund, and Women’s Transition Housing Fund.*
- Help improve housing conditions on First Nation reserves through partnerships on asset management, capital planning and homeowner education.
- Develop and deliver education and training sessions to BC Housing staff and partners on implementing UNDRIP and TRC recommendations, specifically as these apply to the delivery of housing.
- Leverage opportunities to promote employment, skills training and business development for Indigenous peoples through the delivery of our program and business activities, including increasing the number of Indigenous employees at BC Housing. Indigenous housing sector activities include procurement practices that help increase the economic and social betterment of Indigenous communities and individuals, delivering training programs on housing maintenance, asset management and homeowner education to Indigenous people throughout B.C.
- Following the work of the 2018 Homeless Count, help develop and implement an Indigenous engagement strategy for the 2020 Homeless Count.

Performance Measure	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.1 Progressive Aboriginal Relations (PAR) certification ¹	Gold	Gold	Gold	Gold	Recertification Year

¹ Data Source: The Canadian Council for Aboriginal Business.

Linking Performance Measures to Objectives:

3.1 Performance is measured through the [Progressive Aboriginal Relations Certification \(PAR\)](#), whereby our broad range of initiatives and partnerships with Indigenous organizations are assessed by an independent third-party organization, the Canadian Council for Aboriginal Business. The Canadian Council for Aboriginal Business assesses our commitment to the Indigenous sector in four areas: leadership action; employment; business development; community relationships. Assessment results are certified at a bronze, silver or gold level, depending on how the organization has demonstrated its performance. BC Housing is the only social housing provider in Canada to be certified under the PAR program.

Discussion:

Although the certification process occurs every three years, our work to promote stronger Indigenous partnerships is ongoing. BC Housing’s plans, initiatives and collaboration efforts support the goal of continual improvement each year. The Gold certification result demonstrates BC Housing’s active and ongoing commitment to supporting the Indigenous housing sector and our Indigenous housing partners. The next certification process will occur again in 2021. Benchmarking is conducted on a national level against other Canadian companies participating in the PAR Certification program.

Goal 4: Leadership in residential construction and sustainability

This goal brings together two areas where we have significant leadership responsibilities. Through the Licensing and Consumer Services branch, we partner with industry and government partners to initiate [technical research and education](#) projects that promote the durability and energy efficiency of new residential construction. Research findings are applicable across both the private and social housing sectors; BC Housing plays an important role in ensuring the dissemination of beneficial findings across sectors such as improving energy performance of multi-unit buildings and providing building enclosure design guidelines. Our technical research and education activities also support provincial priorities related to building codes and standards, such as the new Energy Step Code.

As well, through the [livegreen Housing Sustainability Plan](#), we encourage and take a leadership role in promoting sustainability and play an important role in supporting the province’s CleanBC plan. Sustainability is promoted within our programs and services and within the broader housing sector. As demonstrated in our [Carbon Neutral Action Report](#), we have made progress in reducing our greenhouse gas emissions and our organizational environment footprint.

Objective 4.1: Promote consumer protections and compliance with the Homeowner Protection Act

This objective focuses on our responsibility to strengthen consumer protection for buyers of new homes and to work with the industry to improve the quality of residential construction.

Key Strategies:

- Continue to implement, refine and streamline the builder qualification system and owner builder exemption.
- Improve warranty provisions of the *Homeowner Protection Act* regulation to strengthen consumer protections.
- Identify further opportunities, such as manufactured housing and home renovations, to improve consumer protection measures.

Performance Measure	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.1 Builders’ rating of the effectiveness of compliance efforts to monitor and enforce licensing and home warranty insurance requirements, and the owner-builder exemption regarding home warranty insurance ¹	87%	80% or higher	80% or higher	80% or higher	80% or higher

¹ Data Source: Annual Licensed Residential Builder Survey

Linking Performance Measures to Objectives:

4.1 This is a measure of the overall health of the builder licensing, home warranty insurance and owner-builder authorization system, whereby compliance issues are dealt with quickly and effectively by the Licensing and Consumer Services branch (formerly known as the Homeowner Protection Office branch). Assessment of performance is best done by industry participants (licensed residential builders) that operate their businesses within the regulatory framework.

Discussion:

Future targets are based on past trends, recognition that reducing instances of non-compliance continues to be an area for business improvement, and strategic initiatives underway to enhance compliance efforts each year over the three-year service planning period. The targets remain constant over the next three years as 80% or higher represents a good level of performance.

Objective 4.2: Environmental leadership in the housing sector

As part of our responsibilities under the *Homeowner Protection Act*, we also partner with industry and government partners to initiate [technical research and education](#) projects that promote the durability and energy efficiency of new residential construction. Research findings are applicable across both private and social housing sectors. BC Housing plays a prominent role in ensuring the dissemination of findings across sectors, for example, improving energy performance of multi-unit buildings and providing building enclosure design guidelines. Our technical research and education activities also support provincial priorities related to building codes and standards, such as the new Energy Step Code.

As well, through the [livegreen Housing Sustainability Plan](#), we encourage and take a leadership role in promoting sustainability and supporting the province's CleanBC plan. Sustainability is promoted within our programs and services and within the broader housing sector. As demonstrated in our [Carbon Neutral Action Report](#), we have made progress in reducing our greenhouse gas emissions and our organizational environment footprint. Our key strategies under this objective support and align with the CleanBC plan.

Key Strategies:

- Promote energy efficient, low carbon and resilient approaches and sustainability in affordable housing created through our programs, including adoption of the higher steps of the BC Energy Step Code.
- Support the improvement and preservation of existing social housing stock through energy retrofits and building envelope upgrades.
- Build capacity within the construction industry and the social housing sectors through research and education to integrate adaptive and resilient solutions into building design and renovation.
- Initiate technical projects in partnership with industry and government related to the quality and sustainability of residential construction.
- Renew our *livegreen* Housing Sustainability Plan in the context of the new climate science and the new provincial CleanBC plan.

Performance Measure	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.2 Percent reduction in greenhouse gas emissions from 2005 levels ¹	28%	Reduction of 25% to 30%	Reduction of 25% to 30%	Reduction of 30% to 35%	Reduction of 30% to 35%

¹ Data Source: Provided directly from utility companies and compiled by an external consultant. In accordance with legislative requirements, the targets and results are based on a calendar year, e.g., results for 2017 are reported in the 2017/18 Actual column.

Linking Performance Measures to Objectives:

4.2 This measure tracks our progress in reducing Greenhouse Gas (GHG) emissions and maintaining a carbon neutral status as required by the [Greenhouse Gas Reductions Target Act](#). It includes emissions from the entire housing portfolio of buildings owned or leased by the Provincial Rental Housing Corporation and is aligned with provincial reporting requirements.

Discussion:

Targets are set to achieve a 25 per cent or more reduction in GHG emissions from the 2005 level. The baseline, which was calculated across the housing portfolio in 2005, has been maintained to compare our reductions. Targets consider anticipated changes to the housing portfolio. Targets, each of which is a comparison to the 2005 level, i.e., not cumulative, consider anticipated changes to the housing portfolio over the service planning period.

Financial Plan

BC Housing's Summary Financial Outlook

(S000)	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget
Revenue				
Provincial Share *	1,124,531	1,237,934	1,437,889	1,365,883
Federal Share	92,605	160,377	126,558	122,685
Other **	64,241	50,708	48,730	48,730
Total Revenue	1,281,377	1,449,019	1,613,177	1,537,298
Expenses				
Housing Subsidies	1,004,697	1,134,605	1,284,280	1,204,876
Rental Assistance	126,795	157,080	170,703	172,898
Salaries and Labour	65,945	74,062	75,502	76,971
Operating Expenses	28,460	27,545	26,761	26,761
Building Maintenance	23,908	24,528	24,458	23,908
Office and Overhead	13,199	12,545	12,380	12,340
Utilities	9,011	9,298	9,528	9,765
Grants in lieu of Property Taxes	7,623	8,132	8,341	8,555
Research and Education	1,689	1,174	1,174	1,174
Interest Expense	50	50	50	50
Total Expenses	1,281,377	1,449,019	1,613,177	1,537,298
Net Income from Operations	-	-	-	-
Total Debt	-	146,000	139,000	173,000
Accumulated Surplus /Retained Earnings	196,605	196,605	196,605	196,605
Total Capital Expenditures	5,000	5,000	5,000	5,000

* 2019/20 includes funding of \$716.0 million provided directly by the provincial government to BC Housing, \$488.8 million from the *Housing Priority Initiatives Special Account*, \$12.9 million from the *Housing Endowment Fund*, and \$20.2 million from other partnering ministries/agencies.

** This includes tenant rent and revenues from other sources including builder licensing fees.

The Summary Financial Outlook chart above shows BC Housing's forecasted financial outlook from 2018/19 through to 2021/22. In 2019/20, BC Housing's total revenue is forecasted to be \$1.449 billion.

Revenues

Over 95 per cent of BC Housing's revenues are contributions received from the provincial and federal governments.

Provincial Contributions

In 2019/20, BC Housing is forecasting to receive total provincial contributions of \$1.238 billion.

Provincial contributions that fund the operating and support costs is forecasted to be \$0.991 billion in 2019/20, \$1.055 billion in 2020/21 and \$1.058 billion in 2021/22. These contributions will provide funding for a variety of existing housing initiatives and programs such as *Shelter Aid for Elderly Renters (SAFER)*, the *Rental Assistance Program (RAP)*, the *Provincial Housing Initiative*, *Independent Living BC*, the *Women's Transition Housing and Supports* program, the *Homeless Outreach Program*, the *Emergency Shelter Program*, the *Memoranda of Understanding* with local governments, the *SRO Renewal Initiative*, and the *Non-Profit Asset Transfer* program. These contributions also include annual funding to support increased monthly benefits for the *SAFER* and *RAP* program enhancements which came into effect in September 2018. The years 2020/21 and 2021/22 will see increases of \$15.9 million and \$48.6 million respectively for the ongoing operating and support costs for new housing under the four *Building BC* programs: *Community Housing Fund*, *Indigenous Housing Fund*, *Supportive Housing Fund* and *Women's Transition Housing Fund*.

Included in provincial contributions that fund operating and support costs is \$183.1 million in 2019/20, and \$193.9 million in each of the following two years from the *Housing Priority Initiatives (HPI) Special Account* which will be used for ongoing operating and support costs including subsidies for new housing projects under the *Rapid Response to Homelessness* program. The *HPI Special Account* is also providing \$216.3 million in 2019/20, \$244.0 million in 2020/21 and \$218.5 million in 2021/22 for project grants to increase the supply of affordable housing units throughout the province for singles, families, seniors and Indigenous peoples. The *HPI Special Account* will also provide funding of \$89.4 million in 2019/20 and \$93.4 million annually thereafter to non-profit societies to maintain and rehabilitate their existing social housing stock; including life and fire safety, seismic, and energy performance improvements.

In 2019/20, \$247.0 million in provincial contributions will be invested in capital projects, increasing to \$307.7 million in 2021/22. This funding will be used to complete the units of housing under the *Affordable Rental Housing* program and the *Rapid Response to Homelessness* program. The capital funding will also be used to acquire or construct approximately 1,250 units for individuals experiencing homelessness or at risk of homelessness under the *Supportive Housing Fund* and approximately 1,100 units for women and children fleeing abuse under the *Women's Transition Housing Fund*. New for 2019/20 is \$53.5 million to create new temporary and long-term permanent housing under the *Homeless Action Plan*. Additionally, in 2019/20, \$43.1 million, increasing to \$46.9 million in 2020/21 and 2021/22 will be used to address the maintenance and renovation requirements of the provincially-owned social housing stock.

Federal Contributions

In 2019/20, BC Housing is forecasting to record federal contributions of \$160.4 million which will reduce to \$122.7 million in 2021/22. In 2019/20, this contribution includes \$123.2 million for existing programs under the *Social Housing Agreement*, reducing to \$85.7 million in 2021/22. Federal contributions also include new funding from the *Bilateral Agreement under the 2017 National*

Housing Strategy of \$37.2 million in 2019/20, \$34.4 million in 2020/21 and \$37.0 million in 2021/22 for the *BC Priorities Housing Initiative* and the *Canada Community Housing Initiative*.

Other Contributions

The remaining revenues are from tenant rent and other sources including builder licensing fees. The Licensing and Consumer Services Branch of BC Housing is fully self-supported from the collection of builder licensing fees that are anticipated to generate approximately \$6 million in revenue annually. This revenue will fund costs associated with the licensing and home warranty insurance system, as well as research and education in residential construction and consumer protection.

Expenditures

BC Housing's expenditures are largely comprised of housing subsidies, rental assistance, administration costs, operational costs and building maintenance costs.

Housing subsidies make up the majority of BC Housing's expenditures, accounting for 78 per cent of the total expenses. These are ongoing subsidies provided to non-profit societies as well as one-time capital grants for new construction or renovation of subsidized housing. Operating subsidies are expected to increase as new projects under the *Rapid Response to Homelessness*, *Community Housing Fund*, *Indigenous Housing Fund*, *Women's Transition Housing Fund*, and *Supportive Housing Fund* programs become operational. The drop in housing subsidies in 2021/22 is primarily due to a reduction in one-time capital grants provided under Building BC for the construction/acquisition of new affordable housing projects.

Rental Assistance is expected to increase in future years primarily due to increases in monthly benefits from enhancements made to the *Shelter Aid for Elderly Renters (SAFER)* program and the *Rental Assistance Program (RAP)*. As newly built projects under the *Community Partnership Initiatives* become active, qualified tenants are expected to apply for assistance from *SAFER* and *RAP*.

Administration costs are made up of salaries and labour paid to BC Housing employees, office and overhead costs incurred in administering the housing portfolio, as well as research and education costs. These costs are expected to increase as additional staff are required to deliver and administer new projects and programs.

Operational costs which include operating expenses, utilities, and grants in lieu of property taxes show little change. Slight increases are expected in utilities as well as grants in-lieu of property taxes.

Building maintenance costs are expected to remain constant at approximately \$24 million annually.

Key Forecast Assumptions, Risks and Sensitivities

The following assumptions have been used in the forecast:

- Provincial and federal contributions match existing approvals;
- Interest rates for mortgage take-outs and renewals are based on provincial Treasury Board forecasts;
- Construction activity for new builds and renovations will match planned schedules, which include anticipated construction delays; and
- Rental assistance take-up is expected to increase.
- Growing trades shortages and rising construction costs

Risks and sensitivities considered include future rate increases in electricity, natural gas, water and sewer and property taxes. Various measures, such as building energy retrofits and the bulk purchase of natural gas have been implemented to help offset this impact. Mortgage renewals with longer terms are in place to offset the risk of raising interest rates.

Provincial Rental Housing Corporation

The net income projected for the Provincial Rental Housing Corporation (PRHC) is primarily the result of gain on sales generated from the sale of land and buildings.

PRHC's Summary Financial Outlook

(\$000)	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget
Net Income	2,000	2,000	2,000	2,000

Management's Perspective on the Financial Outlook

New investment continues to be made into affordable, social, supportive and market housing. More new housing will be developed as BC Housing partners with local governments, the federal government, Indigenous peoples, and the private, not-for-profit, and co-op sectors to develop new and innovative affordable housing solutions for people who are homeless or at risk of homelessness, persons with disabilities, and low-income seniors, families and youth.

Over the next three years the Province will invest \$1.48 billion towards the construction of new affordable rental housing, supported housing for individuals who are homeless or at risk of homelessness, women's transition housing and housing for Indigenous peoples. PRHC continues to invest the proceeds from properties transferred under the *Non-Profit Asset Transfer* program into housing programs including the *Provincial Investment in Affordable Housing* program which will commit a total of \$355 million in capital investments from 2016/17 through 2020/21 to create more than 2,000 affordable rental housing units in British Columbia.

Existing social housing, both society and provincially owned, will benefit from the injection of \$413 million over the next three years for building renovations, energy performance upgrades, fire safety retrofits and seismic improvements.

BC Housing will continue to deliver a range of client-centered programs and services through strong partnerships across British Columbia. Future ongoing operating and support subsidies to non-profit housing providers are increasing as new buildings under *Rapid Response to Homelessness*, *Community Housing Fund*, *Indigenous Housing Fund*, *Women's Transition Housing Fund*, and the *Supportive Housing Fund* programs become active. Additional shelter spaces have been made available in response to increased homelessness throughout the province.

Over the next 3 years, BC Housing will receive \$108.6 million from the federal government as part of the *Bilateral Agreement Under the 2017 National Housing Strategy* to retain, repair and expand the

social housing and community housing portfolios in British Columbia through the *BC Priorities Housing Initiative* and the *Canada Community Housing Initiative*.

Ownership of the Riverview Lands transferred to PRHC in February 2015. Working with multiple partners, BC Housing will continue guiding the long-range planning for the lands.

Appendix A: Additional Information

Corporate Governance

BC Housing is accountable to the Minister of Municipal Affairs and Housing through a Board of Commissioners appointed by the Lieutenant Governor in Council.

The Board of Commissioners oversees policy implementation and direction and, in cooperation with senior management, sets strategic direction. The board also monitors BC Housing's performance based on the province's planning and reporting principles.

The board delegates responsibility for the day-to-day leadership and management of BC Housing to the CEO. The "Governance" page on our website describes our accountability to government as well as profiles of the Board, its members and committees: www.bchousing.org/about/governance.

Organizational Overview

The British Columbia Housing Management Commission (BC Housing) was created in 1967 to deliver on the provincial government's commitment to the development, management and administration of housing. Through the Licensing & Consumer Services Branch, BC Housing also has responsibilities related to licensing of residential builders, home warranty insurance, and research and education to improve the quality of residential construction and consumer protection.

Our role is to assist British Columbians in greatest need of affordable housing by providing options along the housing continuum. We work in partnership with the private and non-profit sectors, provincial health authorities and ministries, other levels of government and community groups to develop a range of housing options. Our partners have the expertise to identify the appropriate housing needs of their client groups and to deliver the support services needed for successful tenancies.

BC Housing has a Board of Commissioners that is responsible for corporate governance, and an organizational structure with six branches. The "About" page on our website provides more information on our organization: www.bchousing.org/about.